



MICHIGAN TOWNSHIPS ASSOCIATION

WEEKLY LEGISLATIVE REPORT

June 13, 2008

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Please route to all interested parties in your township.

HOUSE COMMITTEE HOLDS HEARING ON PROPERTY TAX POVERTY EXEMPTIONS

The House Intergovernmental, Urban and Regional Affairs Committee held a hearing this week on a series of bills that dealt with property taxes and foreclosure. The package of bills includes House Bills 6162-6171. MTA testified to its serious concerns regarding HB 6162 in particular, which substantially changes the requirements for the granting of property tax poverty exemptions under MCL 211.7u. Under current law, the supervisor and board of review can exempt part or all of a homeowner's property from taxation due to being unable to contribute toward the public charge. Under the proposed legislation, the income limit is increased from poverty level to 200% of the poverty level. The new level would translate into \$20,000 for an individual or \$40,000 for a family of four. According to census figures, approximately 350,000 homeowners in the state would be eligible for consideration based on income, this is 22% of the total homeowners in our state. If a township does not establish an asset test, every homeowner in the community who falls within the income limit would be granted the tax exemption, should they apply. The local community can establish the income eligibility at a higher level and the homeowner would be eligible for an exemption of 50% of their property taxes. Asset tests can be established, as was the case in the past; however, personal items of less than \$5,000 in value and savings type assets of less than \$5,000 could not be considered in the decision.

LEGISLATION TO ALLOW ORV USE ON ROADS APPROVED BY SENATE COMMITTEE

The Senate Natural Resources & Environmental Affairs Committee on Wednesday approved legislation that would allow the use of off-road vehicles (ORVs) on roads in northern Michigan. The committee approved HB 4323, sponsored by Rep. Joel Sheltrown (D-Ogemaw Twp.), which allows the county board of commissioners to adopt an ordinance authorizing the operation of ORVs on the maintained portion of roads located within the county. The committee approved a Senate substitute (S-1) to the bill that allows townships to opt-out of a county ORV road ordinance and allows townships to adopt an ordinance to allow such ORV use when a county doesn't. Authority for townships to adopt an ordinance allowing ORV use on roads is delayed until one year after the effective date of the act. Further, language in the bill states that the board of a township located in an eligible county may adopt an ordinance to close a road to ORV use. MTA had no position on the legislation as introduced, but supports the S-1 version. The legislation applies to all counties in Michigan from Clare northward.

SENATE CONSIDERS LEGISLATION THAT OPENS UP INVESTING STANDARDS

The Senate Local, Urban & State Affairs Committee reported out a piece of legislation this week that allowed local governments to invest taxpayer dollars in the stock market in very limited circumstances. MTA testified against the legislation indicating that the opportunity of greater return on investment should not blind the Legislature to the potential loss of the principal investment. Public Act 20, which governs the investment of surplus funds of local governments, mirrors the constraints placed on the state itself by the state's constitution which prohibits the investment of state funds in the stock of any company, except for the purposes of funding pensions or certain endowment funds. The legislation was focused on the investment of funds designated for the maintenance or operation of a public park. Similar legislation is awaiting action in the House that deals with oil royalty trust finds.

POLICY RESOLUTIONS BEING ACCEPTED FOR MTA 2009 ANNUAL MEETING

MTA's Legislative Policy and Resolution Committee is now accepting resolutions from member townships and county chapters for presentation at the 2009 MTA Annual Meeting, which is held Friday, Jan. 30, 2009, at the finale of the Educational Conference & Expo in Detroit. The deadline for submittal is Wednesday, Sept 3. Proposed resolutions will be reviewed by the committee for word selection, legality and to ensure that they conform with the Association's overall goals and objectives. For additional information contact Legislative Liaison David Bertram at 517-321-6467.

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